

January 1, 2024 – March 31, 2024

Interim Activity Report



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ÇATALAĞZI
THERMAL POWER PLANT

GENERAL INFORMATION



INFORMATION ON THE REPORT AND THE COMPANY

Accounting Period to which the Report Relates: 01.01.2024–31.03.2024

TRADE REGISTER INFORMATION

TRADE REGISTRY NUMBER: 8907

TRADE NAME: ÇATES ELEKTRİK ÜRETİM
ANONİM ŞİRKETİ (CATALAGZI THERMAL POWER PLANT)

ADDRESS: ŞAHİNLER MAHALLESİ ŞAHİNLER
(KÜME EVLER) YATAĞAN TERMİK SANTRALİ
SİTESİ NO: 259/1 YATAĞAN/MUĞLA

ISSUED CAPITAL: 165.200.000,00 TL

REGISTERED CAPITAL CEILING: 300.000.000,00 TL

COMPANY REGISTRATION DATE: 19.09.2014

MERSIS NO: 0165029763900019



Date of Listing on the Stock Exchange (BIST): December 7, 2023

Stock Exchange: Borsa İstanbul

Traded Market: Star Market

Transaction Code: CATES

Traded Indices:

BIST Services / BIST Electricity / BIST Stars / BIST IPO /

BIST All / BIST All-100 / BIST Participation All / BIST 500

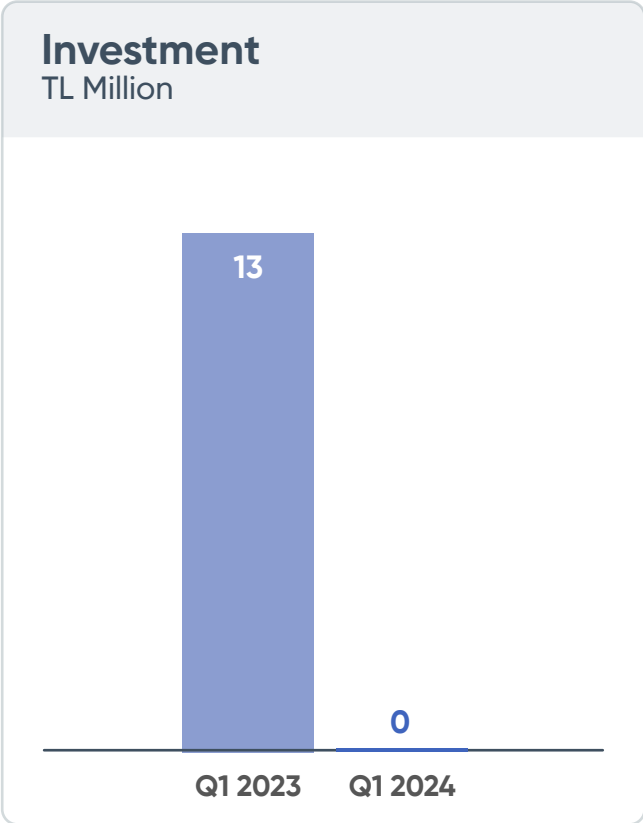
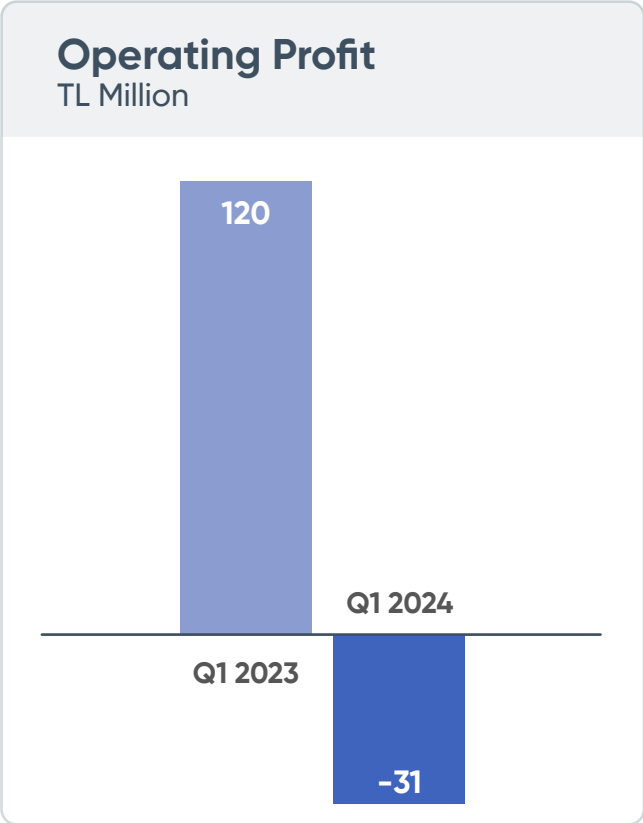
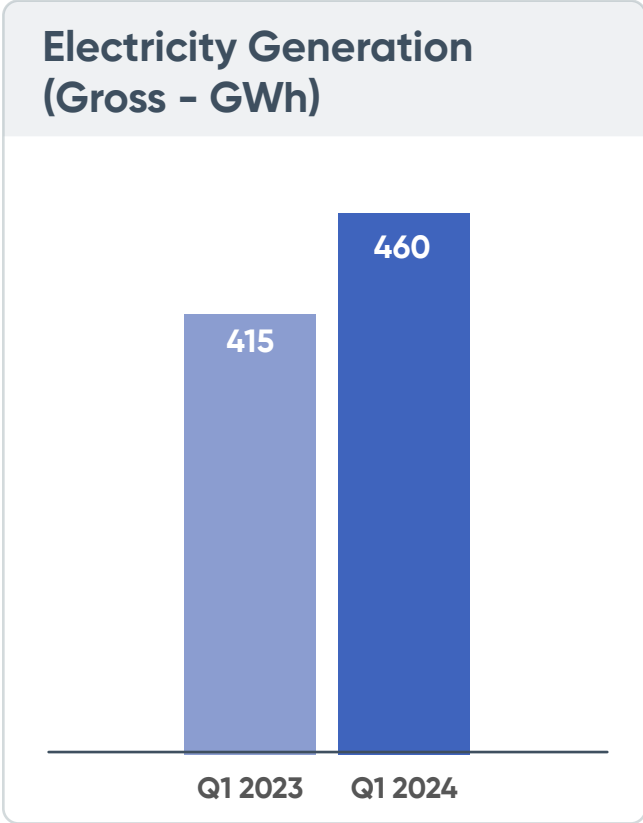
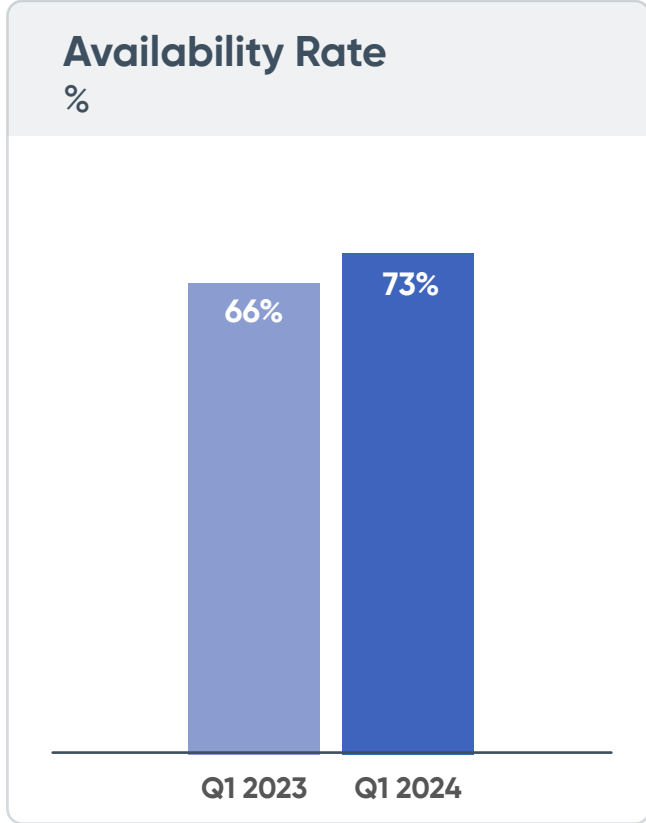
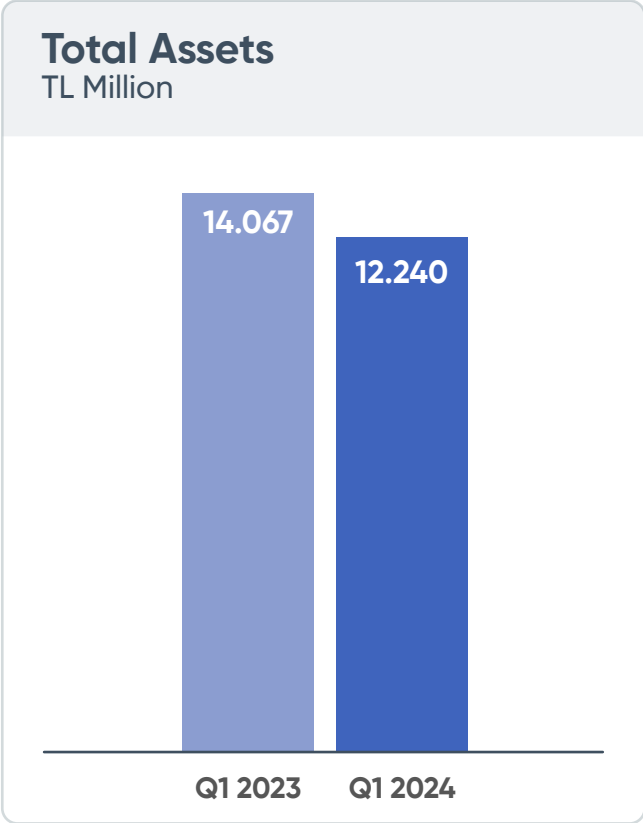
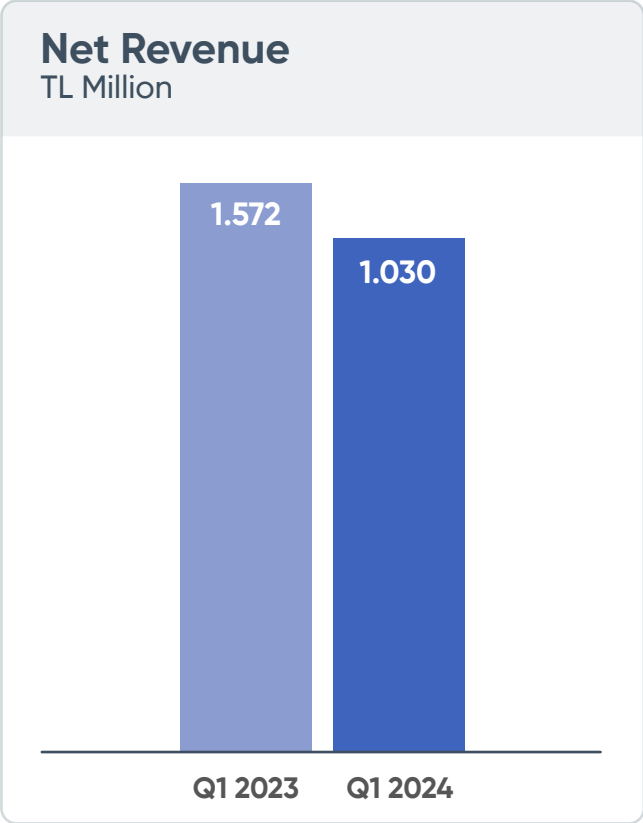


2024 in Figures

 Installed Capacity
314.68 MW

 Number of Employees
380 Person

 Long-Term Average Generation
2.286 GWh



Key Metrics Summary	31 March 2024	31 March 2023
Net Sales Revenues (TL Million)	1,030	1,572
Total Assets (TL Million)	12,240	14,067
Total Investment Amount (TL Million)	0	13
Operating Profit/(Loss) (TL Million)	-31	120
Gross Electricity Generation (GWh)	460	415
Availability Rate (%)	73%	66%
Total Number of Employees	380	376
Generation Capacity (GWh)	2,286	2,286
Installed Capacity (MW)	314.68	314.68

2024 in figures

Summary Items	31 March 2024	31 March 2023
Cash and Cash Equivalents (TL Million)	840	34
Revenue (TL Million)	1,030	1,572
Gross Profit / (Loss) (TL Million)	10	195
EBITDA (TL Million)	153	341
Net Financial Debt / Equity (%)	2.94	52.89
Operating Profit / (Loss) (TL Million)	-31	120
Net Profit / (Loss) for the Period (TL Million)	92	510
Net Financial Debt / EBITDA	1.81	11.59
Earnings / (Loss) per Share (TL)	0.56	4.18

2024	JANUARY	FEBRUARY	MARCH									
MCP - TL	1,942.90	1,957.68	2,190.11									
PTF-USD	64.84	63.85	68.71									
2023	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
MCP - TL	3,431.49	2,802.71	2,802.71	1,770.82	1,907.28	1,623.92	1,977.40	2,251.01	2,006.84	2,249.84	2,066.91	2,075.00
PTF-USD	182.96	148.92	112.18	91.80	97.12	70.33	74.95	83.60	74.57	81.00	72.37	71.52
2022	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
MCP - TL	1,177.99	1,404.50	1670.85	1,830.55	1,763.03	2,340.13	2,330.37	3,066.55	3,850.59	3,470.02	3,438.31	3,724.41
PTF-USD	87.27	103.15	114.65	124.73	112.94	138.01	134.15	170.33	210.84	186.97	184.99	71.52

Balance Sheet Items (TL Million)	31 March 2024	31 December 2023
Total Assets	12,240	12,857
Total Equity	9,377	9,301
Total Financial Debt	1,255	1,402
Net Financial Debt	276	53

Summary Statement of Balance Sheet (TL)	31 March 2024	31 December 2023
Current Assets	2,053,245,417	2,500,877,655
Fixed Assets	10,186,439,100	10,356,451,123
Total Assets	12,239,684,517	12,857,328,778
Short Term Liabilities	1,651,881,152	2,294,076,663
Long Term Liabilities	1,210,754,918	1,262,712,959
Equity	9,377,048,447	9,300,539,156
Total Equity and Liabilities	12,239,684,517	12,857,328,778

Summary Statement of Profit or Loss (TL)	31 March 2024	31 March 2023
Revenue	1,029,638,268	1,572,162,018
Cost of Sales (-)	(1,020,074,983)	(1,020,074,983)
Gross Profit	9,563,285	195,436,124
General administrative expenses (-)	(70,130,950)	(74,220,914)
Other income from operating activities	36,511,548	9,988,469
Other operating expenses (-)	(7,175,082)	(11,054,706)
Operating profit	(31,231,199)	120,148,973
Income from investing activities	307,017	--
Operating profit before financial expenses	(30,924,182)	120,148,973
Finance income, net	61,937,795	263,774,596
Profit before tax from continuing operations	31,013,613	383,923,569
Tax income/(expense) from continuing operations	61,335,447	126,396,627
Net profit for the period	92,349,060	510,320,196

Shareholding Structure

The Company's shareholding structure and composition as of the date of the report are as follows:

Information on the Company's Direct Shareholding

Name-Surname/Title of Trade of the Partner	Share in Capital (TL)	Share in Capital (%)
Parla Enerji Yatırımları AŞ	132,150,000	79.99
Publicly Traded	33,050,000	20.01
Total	165,200,000	100.00

Information on Direct Shareholding of Parla Enerji Yatırımları AŞ

Name-Surname/Title of Trade of the Partner	Share in Capital (%)
Aydem Holding AŞ	100.00
Total	100.00

Real and Legal Persons Holding Indirectly more than 5% of the Capital

Name-Surname/Title of Trade of the Partner	Capital Share (TL)	Share in Capital (%)
Ceyhan Saldanli	96,074,253.27	58.16
Ali Yağlı	31,453,554.92	19.04

Subsidiaries

None.

ÇATES at a Glance

Çatalağzı Thermal Power Plant Portfolio

Commissioning works were completed in 1989 and 1991 for Unit 1 and Unit 2, respectively. The power plant consists of two units with a total capacity of 314.68 MWe, 2x157.34 MWe. . . The 1st Unit started commercial operation (supplying electricity to the system) in 1990 and the 2nd Unit in 1991.

The Company was established with the aim of utilizing the coal obtained from the Zonguldak region for electricity generation and was acquired through asset sale following a tender held by the Privatization Administration in 2014. The Company has an electricity generation license for 49 years starting in 2014. It was operating under EÜAŞ before privatization.

The Company generates and sells electricity from various mines and coal-based thermal power plants with the electricity generation license numbered EÜ/5358-1/03178 dated 18 December 2014. The license is valid until 22 December 2063.

Çatalağzı Thermal Power Plant, as the first thermal power plant of our Republic, played an important role in the development of the country's industry. *The Company's long-term average power generation capacity is 2,286 GWh.*

City/District where the power plant is located	License Number	Licensed Installed Capacity	License Issuance Date	License Period from Date of Issue	Commissioning Date
Zonguldak/ Catalagzi	EU/5358-1/03178	314.68 M We/ 319.6 MWm	12/18/2014	49	12/22/2014

The table containing the annual installed capacity and production values of the power plant is given below-

Explanations	2020	2021	2022	2023	2024/1Q
Installed Capacity (MWe)	314.68	314.68	314.68	314.68	314.68
Gross Production Amount (MWh)	1,233,763	1,219,382	1,867,412	2,033,349	459,836

The coal obtained from Çatalağzı and Zonguldak regions, which are under the General Directorate of Turkish Coal Authority, consists of washing residues that are not utilized in the utilization areas due to low efficiency. In terms of energy production, the coal in question is used for thermal power plants by blending it with low-moisture coals and making it suitable for use, and constitutes an important resource of the Power Plant.

The power plant burns a mixture of mix, slurry, virgin coal from Çatalağzı and Zonguldak coal washing plants, lignite and light shale from outside the region, and imported coal for enrichment of the coal burned in case of need. The daily coal consumption of the power plant is approximately 2,800 tons for one unit and 2,530 kcal/kg energy is consumed for 1 kWh energy production.

Power Plant Equipments

- Boiler :** Reheater, single burner, domed natural circulation boiler. (A boiler is a process in which the energy required to convert pure water into superheated steam by burning coal is obtained. The brand is Transelektro) Capacity: 480 t/h Steam Temp: 535 °C Vapor Pressure: 139.5 kg/cm2
- Turbine :** Turbine with two cylinders, double exhaust, re-superheater line, condenser. (The superheated steam rotates the turbine at 3,000 rpm to rotate the coupled generator. The brand is Mitsubishi) Capacity: 157.340 kW/h Steam Pressure: 135 kg/cm2 Temperature: 535 °C Rotation Speed: 3.000 rpm
- Generator :** Hydrogen cooled, 3-phase generator. (While rotating at 3,000 rpm with the turbine it is coupled to, it generates energy by exciting its rotor and feeds the step-up transformer to be transmitted to the interconnected system. The brand is Mitsubishi) Capacity: 180 MVA Output Voltage: 15 KV Frequency: 50 Hz

Coal to be burned at the Power Plant is supplied from TCC Çatalağzı Plant via conveyor belts, from Kozlu and Üzülmöz Plants via Turkish State Railways (TCDD) wagons and from private royalty companies via trucks. The average daily coal requirement of the power plant is 5,600 tons/day for 2 units and the annual requirement is approximately 1,650,000 tons/year.

The coal stockpile capacity of the power plant is 170,000 tons. Electric power generation is realized by exciting the generator, which is coupled with the heat emitted by the coal burned in the boiler and the superheated steam obtained as a result of heating the pure water by transferring it to the turbine and releasing the energy it has to the rotational motion created by hitting the blades of the turbine.

Availability and Capacity

The availability rate in Q1 2024 is 73% and the capacity utilization factor is 67%.

The table below shows the operational data for Çatalağzı Thermal Power Plant-

Availability Rate(*)					Capacity Factor (**)				
2020	2021	2022	2023	2024/1Q	2020	2021	2022	2023	2024/1Q
47%	48%	76%	80%	73%	45%	44%	68%	74%	67%

(*) Availability Rate shows how much of the total time (365 days*24 hours= 8.760 hours) the power plant is ready for production, except for planned downtime due to maintenance-repair and unplanned downtime due to failure.

(**) Capacity Factor is the total energy produced by the power plant in a certain period divided by the energy it can produce at full capacity.

2024



FIELDS OF ACTIVITY AND INVESTMENTS



Fields of Activity and Investments

Fields of Activity:

Çatalağzı Thermal Power Plant, as the first thermal power plant of our Republic, played an important role in the development of the country's industry. The Company's installed capacity is 314.68 MWe and the long-term average electricity generation is 2,286 GWh.

The table below shows the annual installed capacity and production values of the power plant-

Explanations	2020	2021	2022	2023	Q1 2024
Installed Capacity (MWe)	314.68	314.68	314.68	314.68	314.68
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The coal obtained from Çatalağzı and Zonguldak Region, which is affiliated to the General Directorate of Turkish Hard Coal, consists of washing residues with high ash content, which are not utilized in the places of use due to low efficiency. In terms of energy production, the coal in question is used for thermal power plants by blending it with low-moisture coals and making it suitable for use, and it constitutes the important resource of the Power Plant.



Investments:

The Company's property, plant and equipment consists of mineral assets and other fixed assets. Mining assets consist of acquired mineral rights costs, plant, machinery and equipment, other assets and deferred mineral extraction costs. Other fixed assets consist of plant assets, construction in progress and other property, plant and equipment. All property, plant and equipment belonging to power plants are classified as land, buildings, machinery, equipment and fixtures under other property, plant assets.

The net book value of mining assets as of March 31, 2024 is TL 275 million (March 31, 2023 - TL 284 million) and the net book value of other property, plant and equipment as of March 31, 2024 is TL 9.412 million (March 31, 2023 - TL 11.563 million).

The Company has organized all tangible assets belonging to power plants, which are included in the tangible fixed assets account item, as a separate tangible fixed asset group under the name of "Power Plant Assets". Plant comprises a group of like-kind assets used in the operations of an entity and includes land, buildings, machinery, equipment and fixtures. The Company has adopted the revaluation method in accordance with TAS-16 for plant assets reported under property, plant and equipment. The valuation report prepared by PwC Yönetim Danışmanlığı AŞ is based on the estimation of the total enterprise value of the Company. In the valuation study, the income approach, which involves the discounting of cash flows to net present value, was calculated using the discounted cash flow method (DCF). Net present value is estimated using a discount rate appropriate to the Company's risk profile and activities. The Company has recognized the power plant assets at their remeasured fair values as of December 31, 2022 and December 31, 2023. As of March 31, 2024, plant assets are carried at revalued amount of TL 9.386.158.975 in the financial statements (March 31, 2023 - TL 11.456.868.419).

The Company's inflows to the non-current assets of the mine are presented in the table below.

Property, Plant and Equipment of the Mine - Inflows	03/31/2024	03/31/2023
Plant, Machinery and Equipment	0	148,574,064
Other Assets	183,640	3,243,156
Deferred Cost of Extraction	922,034	0
Total	1,105,674	151,817,220

The period, percentage of completion and financing details regarding the financing of the investments made in the tangible fixed assets of the mine are given in the table below.

Investment Detail	Investment Period	Completion Status	Form of Financing
Çankırı Orta Coal Field License and Operation Right	2022	100%	Equity
Zonguldak Bağlık-Inağzı Field License and Operation Right	2022	100%	Equity
Zonguldak Bağlık- Inağzı Field License Fee	2023	100%	Equity
Dryer, Screening and Crushing Stock Plant and Equipment	2022-2023	Ongoing	Equity

The Company acquired the license and operating rights of Çankırı Orta and Zonguldak Bağlık-inağzı coal fields on December 19, 2022 and November 28, 2022, respectively, for a consideration of TL 53.308.145 million for Çankırı Orta field and TL 89824.602 million for Zonguldak Bağlık-Inağzı coal mine field (indexed on the basis of purchasing power as of March 31, 2024).

As of 31 December 2023, it has not started production in the Zonguldak Bağlık-Inağzı area. In 2023, a dryer, screening and crushing stock facility in the amount of 148,574,064 million TL (indexed on the basis of purchasing power as of March 31, 2024) was built in the Çankırı-Orta field, and these investments were classified in machinery and devices within the fixed assets of the mine.

The coal field in Çankırı was transferred to the Company on October 14, 2022. A reserve valuation report was prepared by UMREK (National Mineral Resource and Reserve Reporting Commission) Competent Person on July 28, 2023. Accordingly, it is estimated that a total of 28 million tons of coal can be produced in the field with a redemption rate of 1.04 m3 /ton. Coal has an average value of 1000 (±200) kCal/kg. The production conditions and the ratio of the cover layer to the amount of coal in the area, which can be produced with the Open Pit Mining method, provide optimum conditions. Looking at the general geological structure of the region where the quarry site is located, it is seen that it is an extremely favorable and problem-free region for mining activities. Production can be realized without the need for drilling and blasting activities. In addition, the location is very close to the main road, electricity and water lines.

Zonguldak Bağlık- Inağzı Field License and Operation Right; a transfer agreement was signed between Tümaş Mermer and TCC on August 15, 2018 for the mining license with registration number 86108, which was tendered by the General Directorate of Turkish Hard Coal Authority in 2018. According to the contract, the operating right is transferred until December 31, 2049. License transfer by MAPEG was completed in 2022. The license was transferred to the Company by Tümaş Mermer Sanayi ve Ticaret AŞ on November 28, 2022. The average caloric value of coal in the basin is 3500 Kcal/kg. After enrichment works, coal quality can reach 6000-7000 Kcal/kg.

Fields of Activity and Investments

The Company's power plant capital expenditures consist of investments in flue gas treatment plant and conveyor belt system, both of which were financed through equity.

Flue Gas Treatment Plant; with the flue gas treatment plant established in 2020, it is aimed to adapt the sulfur dioxide (SO₂) values of the power plant to the conditions in the environmental legislation. The investment was completed and put into operation in 2020.

Conveyor Belt System Investment; the belt renewal project, which started in 2020 due to the wear of the conveyor belts feeding the boiler, was completed in 2022. Additions to property, plant and equipment do not include amounts transferred from construction in progress to plant assets.

As of March 31, 2024, the Company's Industrial Solid Waste Facility Ash Dam and other power plant investments are ongoing.

The ash dam rehabilitation project covers the improvement works required under the relevant article of the Regulation on Landfilling of Wastes. These works include the construction of a 3528-meter-long storm drain, a 3270-meter-long protective fence and a service road. Field works for the said works started on April 14, 2021 and the dam body, which is at +90 meter elevation, was gradually raised by 18 meters and the front face (upstream) was covered with membrane to increase the storage area of the dam.

Çankırı Orta Coal Field Facility Investments; A crushing-sieving-stocking facility with a capacity of 500 tons/hour is being invested in the field.

50 tons/hour capacity coal drying plant installation and commissioning works are ongoing. The targeted coal calorific value after the commissioning of the drying plant is in the range of 1750-2000 kCal/kg. As of December 31, 2023, TL 148.574.064 (as of March 31, 2024, the amount indexed on purchasing power basis) has been invested.

Bağlık-İnağzı Field Drilling and Project Design Studies; Project preparations have been initiated following the drilling studies started near the surface in 2023. Investment studies will be planned according to the project design results.



CORPORATE GOVERNANCE



Board of Directors



Hamdi ALP

(Chairman of the Board of Directors Real Person Representative of Aydem Holding, General Manager)

Hamdi Alp holds a bachelor's degree in Public Administration from Trakya University. Hamdi Alp started his career as Cost Control Chief at Reysas Gıda AŞ between January 2001 and December 2004. From July 2005 to October 2006, he worked at Dünya Göz Hospital as Budget and Cost Control Specialist and from October 2006 to July 2009, he worked at Medical Park Hospital as Assistant Finance Group Manager. Hamdi Alp then served as the Financial Affairs Manager at Akfel Holding from July 2009 to October 2016 and as the Financial Affairs Director at Isystems Endüstri between November 2016 and May 2018. Hamdi Alp, who was appointed as the Financial Affairs Group Manager at Aydem Holding in October 2018, started to work as the Company's Financial Affairs Director in August 2019. In March 2020, he was appointed as CFO of Aydem Yenilenebilir Enerji AŞ. In April 2023, he continues his duty as General Manager of Aydem Group Thermal Power Plants.



Mehmet Akif GÜL

(Board Member)

Mehmet Akif Gül graduated from Middle East Technical University, Department of Metallurgical Engineering. Mehmet Akif Gül started his career in 1980 at Elsan Elektrik Gereçleri AŞ, which he participated in the establishment of as a shareholder, and continues to serve as Chairman of the Board of Directors at the same company. Mehmet Akif Gül, who has 40 years of experience in the sector, also served as Vice Chairman of the Board of Directors at ADM Elektrik Dağıtım AŞ and GDZ Elektrik Dağıtım AŞ, which are Aydem Energy group companies. He is currently serving as General Manager at Elsan and Board Member at Tümaş Mermer AŞ.



Engin KAVAS

(Board Member)

Engin Kavas, who graduated from ITU Mathematical Engineering department and then completed his master's degree in Systems Analysis program of the same university, has worked as a senior manager in companies operating in Telecom, Healthcare, Automotive, Defense Industry and Energy sectors both in Turkey and abroad, managed the information technology departments of these companies and carried out many successful large-scale digital transformation projects.

Engin Kavas, who has a career of more than 25 years, currently works as the Head of Information Technologies Group at Aydem Energy, and also serves as a Board Member of Aydem Energy's group companies.



Ridvan Edip AKDENİZ

(Board Member, Power Plant Director)

Ridvan Edip Akdeniz graduated from Kocaeli University, Faculty of Engineering, Department of Electronics and Communication Engineering in 2005. He started his career at Yatağan Yeniköy Elektrik Üretim AŞ, where he worked as Production Manager, Measurement Control Engineer, FDG Operation Engineer, Chief Engineer. In 2014, he started to work at Aydem Energy. At Aydem Energy, Akdeniz first worked as Assistant Plant Manager at Yatağan Termik Enerji Üretim AŞ and then as Senior Manager of Thermal Power Plants Production Planning in 2019.

Ridvan Edip Akdeniz has been serving as the Director of Çatalağzı Thermal Power Plant since 2021.



Emirhan KARAYAY

(Board Member)

Emirhan Karayay holds a bachelor's degree in Business Administration and a master's degree in Finance Management (MS) from Istanbul University, Institute of Business Economics. He started his career as a Human Resources Specialist at Şahinler Holding in 1999. He worked as Human Resources Manager and Human Resources Manager at Yıldız Holding between 2005 and 2012 and in 2015, respectively. He worked as Human Resources Manager at math Group of Companies between 2012 and 2013.

. Between 2013 and 2018, he worked as the Human Resources Director at Eksim Yatırım Holding. He joined Aydem Holding in 2019 and first served as Aydem Holding Human Resources Group Director. Afterwards, he worked as the Human Resources Director of Aydem Yenilenebilir AŞ and served as the Human Resources Director of Aydem Holding Electricity Distribution Companies ADM Elektrik Dağıtım AŞ and GDZ Elektrik Dağıtım AŞ between 2020 and 2022. As of 2023, he has been reappointed as Aydem Holding Human Resources Group Director, continues to serve as the Human Resources Group President, and has board memberships in Aydem Energy group companies.

In 2024, 7 Board of Directors meetings were held as of the date of the report, and participation in the meetings was 100%.

Board of Directors

Name Surname	Companies and Tasks Assumed in the Last 5 Years	Companies and Companies in which it is a Partner Partnership Status
MEMBERS OF THE BOARD OF DIRECTORS		
Aydem Holding AŞ. (Real person representative Hamdi ALP)	Chairperson of the Board of Directors-	Çates Elektrik Üretim AŞ (100%)
	(i) Aydem Enerji Yatırımları AŞ	Yatağan Termik Enerji Üretim AŞ (100%)
	(ii) Aydem Renewables Inc	Aydem Enerji Yatırımları AŞ (100%)
	(iii) Çates Elektrik Üretim AŞ	Aydem Yapı Gayrimenkul Yatırımları AŞ (100%)
	(iv) Yatağan Termik Enerji AŞ	Bereket Elektrik Tedarik AŞ (100%)
	(v) Aydem Plus Enerji Çözümleri Tic AŞ (formerly Ege Perakende Enerji Satış AŞ)	Elsan Elektrik Gereçleri San Ve Tic AŞ (100%)
	(vi) Aydem Elektrik Perakende Satış AŞ	Tümaş Mermer Sanayi ve Ticaret AŞ (100%)
	(vii) Gediz Perakende Satış AŞ	Bereket Havacılık AŞ (100%)
	(viii) Gdz Enerji Yatırımları AŞ	Aydem Elektrik Perakende Satış ve Ticaret AŞ. (%100)
	(ix) Parla Enerji Yatırımları AŞ	ADM Elektrik Dağıtım AŞ (90%)
	(x) Parla Solar Hücre ve Panel Üretim AŞ	GDZ Enerji Yatırımları AŞ (%100)
	(xi)Yf Operasyonel Kiralama AŞ.	
	(xii) Extranet İletişim Hizmetleri AŞ. (expiration date - 25.10.2023)	Yalova Rüzgar Enerjisinden Elektrik Üretim AŞ (%50)
	(xiii) San Perakende Enerji Satış ve Ticaret AŞ (01.06.2022)	Parla Enerji Yatırımları AŞ (100%)
	Vice Chairperson of the Board of Directors-	ADM Energy Elektrik Yatırımları AŞ (%100)
	(i) Elsan Elektrik Gereçleri Sanayi ve Ticaret AŞ	Aydem Renewables Inc. (%84,2)
	(ii) Tümaş Mermer Sanayi ve Ticaret AŞ	Yatağan Servis ve Enerji Danışmanlık AŞ.
	(iii) Aydem Yapı Gayrimenkul Yatırımları AŞ	Parla Solar Hücre ve Panel Üretim AŞ.
	(iv) Yalova Rüzgar Enerjisinden Elektrik Üretim AŞ	Gediz Enerji Yatırımları AŞ
		Panobel Elektrik Gereçleri AŞ
		YF Operasyonel Kiralam AŞ
		GDZ Elektrik Dağıtım AŞ
		Gediz Elektrik Perakende Satış AŞ
		Aydem Plus Enerji Çözümleri Tic AŞ
		Eytur Enerji Elektrik Üretim ve Ticaret AŞ.
		Başat Enerji Elektrik Üretim ve Ticaret AŞ.
		Sanı Perakende Enerji Satış ve Tic AŞ
		Akköprü Yenilenebilir Enerji Üretim AŞ
Mehmet Akif GÜL	Chairperson of the Board of Directors	Aydem Holding AŞ (3.5%) Bereket Yatırım Holding AŞ (33%)
	(i) Elsan Elektrik Gereçleri Sanayi ve Ticaret AŞ	
	Vice Chairperson of the Board of Directors	
	(i) GDZ Elektrik Dağıtım AŞ (end date - 25.09.2024)	
	(ii) ADM Elektrik Dağıtım AŞ (end date - 25.09.2024)	
	Board Member	
	(i) Çates Elektrik Üretim AŞ.	
Rıdvan Edip AKDENİZ	(ii) Tümaş Mermer Sanayi ve Ticaret AŞ	
	Board Member	
	(i) Çates Elektrik Üretim AŞ.	
	(ii) Kızılağaç Yeşilyayla Construction Housing Cooperative	
	Other	
	(i) Çates Elektrik Üretim AŞ. - Power Plant Director	

Name Surname	Companies and Tasks Assumed in the Last 5 Years	Companies and Companies in which it is a Partner Partnership Status
MEMBERS OF THE BOARD OF DIRECTORS		
Engin KAVAS	Board Member	-
	(i) Çates Elektrik Üretim AŞ	
	(ii) GDZ Enerji Yatırımları AŞ	
	(iii) Yatağan Termik Enerji Üretim AŞ	
	Vice Chairman of the Board of Directors	
	(i) Aydem Enerji Yatırımları AŞ	
	(ii) Parla Enerji Yatırımları AŞ	
	(iii) ADM Energy Elektrik Yatırımları AŞ	
	(iv) Parla Solar Hücre ve Panel Üretim AŞ (representing GDZ Enerji Yatırımları AŞ)	
	(v) Gediz Enerji Yatırımları AŞ	
	(vi) Aydem Plus Enerji Çözümleri Ticaret AŞ	
	Other Tasks	
	Aydem Holding AŞ Head of Information Technologies Group	
Emirhan KARAYAY	Board Member	-
	(i) Çates Elektrik Üretim AŞ	
	(ii) Elsan Elektrik Gereçleri Sanayi ve Tic AŞ	
	(iii) Yatağan Termik Enerji Üretim AŞ	
	(iv) GDZ Enerji Yatırımları AŞ	
	(v) Extranet İletişim Hizmetleri AŞ (end date - 25.10.2023)	
	(vi) Yf Operasyonel Kiralama AŞ.	
	(vii) Gediz Enerji Yatırımları AŞ	
	(viii) Parla Enerji Yatırımları AŞ	
	(ix) ADM Energy Elektrik Yatırımları AŞ	
	(x)Yatağan Servis ve Enerji Danışmanlık AŞ	
	(xi) Inoven Enerji Mühendislik ve Tic AŞ.	
	(xii) Impera Enerji ve Mühendislik AŞ	
	Other (i) Aydem Holding AŞ Human Resources Group President	

Board of Directors

Name Surname	Companies and Tasks Assumed in the Last 5 Years	Companies and Companies in which it is a Partner Partnership Status
STAFF WITH A VOICE IN MANAGEMENT		
Mehmet ÖZÜLKÜ	(i) Financial Affairs Director of Çates Elektrik Üretim AŞ (ii) Enerjisa Enerji Üretim AŞ - Financial Planning Manager (end date - September 2022) (iii) Vorwerk Turkey Ev Aletleri Ltd Şti - Finance Manager (end date - September 2019) (iv) Finance Manager of Gulf Cryo Gaz Sanayi ve Ticaret AŞ (end date - August 2018) (v) Yatağan Servis ve Enerji Danışmanlık AŞ - Manager	-
Hasan AKPINAR	(i) Aydem Holding AŞ - Aydem Enerji Treasury and Finance Group Director	-
Hamdi ALP	(i) Aydem Group General Manager of Thermal Power Plants Chairperson of the Board of Directors (i) Çates Elektrik Üretim AŞ (representing Aydem Holding AŞ) (ii) Yatağan Termik Enerji AŞ (representing Aydem Holding AŞ) (iii) Bereket Elektrik Tedarik AŞ (iv) Avdan Madencilik Enerji Sanayi ve Tic AŞ (v) Yatağan Servis ve Enerji Danışmanlık AŞ (representing Aydem Yapı Gayrimenkul Yatırımları AŞ) Vice Chairperson of the Board of Directors (i) Tümaş Mermer Sanayi ve Ticaret AŞ (representing Aydem Holding AŞ) (ii) Aydem Renewables Inc (duty start date - 20.10.2023 - duty end date - 25.10.2023) (iii) Akköprü Yenilenebilir Enerji AŞ (20.10.2023 - 26.10.2023) (iv) Aydem Yapı Gayrimenkul Yatırımları AŞ (representing Aydem Holding AŞ) Board Member (i) Aydem Renewables Inc (duty start date- 03.04.2020 - Duty end date- 10.06.2021) (ii) Akköprü Yenilenebilir Enerji AŞ (start date - 15.10.2021 - end date - 5.06.2023) (iii) Ayges Solar Enerji Üretim AŞ (duty start date - 29.11.2019 duty end date - 18.01.2022) Bereket Havacılık AŞ (iv) Inoven Enerji Mühendislik ve Tic AŞ (v) Impera Enerji ve Mühendislik AŞ General Manager - Çates Elektrik Üretim AŞ Yatağan Termik Üretim AŞ. 05.2023 - still Assistant General Manager of Financial Affairs/CFO - Aydem Renewables Inc - 04.2020 - 04.2023 Financial Affairs Group Manager-Aydem Holding AŞ 10.2018 - 07.2019	-
Rıdvan Edip AKDENİZ	Board Member (i) Çates Elektrik Üretim AŞ (ii) Kızılağaç Yeşilyayla Construction Housing Cooperative Other Tasks (i) Çates Elektrik Üretim AŞ - Power Plant Director	-

Evaluation of the Board of Directors

Messages from Management, Risks and Opportunities

As Çates Elektrik Üretim, we use internationally recognized risk management principles in our risk management processes and fully comply with the Capital Markets Board's Corporate Governance Principles regulation. At Çatalağzı Thermal Power Plant, we integrate risk management into the entirety of our operations and strategic planning, implement a reliable risk management mechanism in all our investment decisions and processes, and comprehensively evaluate all risks and opportunities. Thanks to our risk awareness, which has become a corporate culture in all our processes and units, we ensure that our strategic decisions and operational activities remain within the limits of our risk appetite, and we manage all risk factors that may adversely affect our Company and our stakeholders, including financial performance and reputation, in the most effective manner. We regularly review the risk management policies and systems that we have determined in order to identify and analyze the risks to be encountered, to determine appropriate risk limits and to monitor key risk indicators and risks in comparison with the relevant limits.

The Board of Directors is responsible for establishing plans and policies regarding risk management activities at Çates Elektrik Üretim. The Board of Directors has assigned the Early Detection of Risk Committee to manage risks effectively. The Early Detection of Risk Committee convenes periodically at least six times a year and more frequently if needed. Çates Elektrik Üretim Risk Management Policy has been approved by the Board of Directors of Çates Elektrik Üretim and explains the risk management strategy of Çates Elektrik Üretim, general principles and management principles regarding the risk management framework.

The Company's risk management manager or legal and compliance manager is responsible for creating supporting documentation and implementing risk management activities in line with the Risk Management plan and policies. In addition, risk management has been fully integrated into the daily operations and strategic planning of Çatalağzı Thermal Power Plant in order to enable faster decision-making and quicker action in volatile and competitive market conditions.

As Çates Elektrik Üretim, we work with the belief that protecting the assets and values of our Company in the long term, ensuring sustainable financial performance, competitiveness and growth, and protecting the interests of all our stakeholders can be achieved through effective management of financial and non-financial risks. In addition to the financial impact of risks, we evaluate their reputational impact, their impact on supervisory and regulatory bodies, their impact on employees, and their impact on our value chain. As Çatalağzı Thermal Power Plant, we use internationally recognized risk management principles in our risk management processes and take all necessary actions to comply with the Capital Markets Board's Corporate Governance Principles regulation.

At Çatalağzı Thermal Power Plant, we integrate risk management into the entirety of our operations and strategic planning, implement a reliable risk management mechanism in all our investment decisions and processes, and comprehensively evaluate all risks and opportunities. Thanks to our risk awareness, which has become a corporate culture in all our processes and units, we ensure that our strategic decisions and operational activities remain within the limits of our risk appetite, and we manage all risk factors that may adversely affect our Company and our stakeholders, including financial performance and reputation, in the most effective manner.

Assessment of the Board of Directors on the Internal Audit and Control System and the Activities Carried Out in This Scope

Internal audit and control activities carried out within Çates Elektrik Üretim AŞ have a systematic structure designed to assess whether risk management, financial reporting, control and governance processes are carried out effectively, adequately, efficiently and in compliance with existing legal and internal regulations, and whether information systems are managed in a secure and reliable manner. The Internal Audit Function, which carries out its activities within this scope with a risk-oriented approach, regularly reports its work to provide reasonable assurance to the Board of Directors, shareholders and other stakeholders and acts as an independent and objective assurance function authorized by the Company's Board of Directors. The Internal Audit Function also oversees the proper definition, adequate and effective realization of the objectives related to compliance with the ethical rules and working principles defined within the company and fulfills the activities within its area of responsibility.

Accordingly, central and on-site internal audit activities were carried out within the Company in accordance with the Audit Plan for 2024. Audit and control activities are capable of providing a reasonable level of assurance on risk management, internal control and governance processes. Agreements were reached with the Management on actions to improve the individual control deficiencies identified during the audits and periodically monitored whether these actions were implemented on time.

Assessment of the Board of Directors on the Financial Position and Results of Operations

As a result of great efforts and devoted work, our company was offered to the public on December 7, 2023 and started to be traded on the Borsa Istanbul - Stars Market.

Following the changes in economic conditions, the fair valuations of the power plants were revalued and total assets increased by 57% in Q1 2024 compared to Q1 2023. The change in the fair value of power plants also had a positive impact on the size of equity.

Assessment of the Board of Directors on the Committees

Five committees will be established within the Board of Directors: "Audit Committee", "Corporate Governance Committee", "Early Detection of Risk Committee", "Sustainability, Environment, Occupational Health and Safety" and "Investment Committee".

The Committees will convene in accordance with the meeting agendas established within the scope of their objectives and duties, within the framework of their working principles, and will make recommendations and presentations to the Board of Directors in line with the decisions taken.

Detailed information on committees
Are on company website at

<https://www.cates.com.tr/en/committees>

Senior Management

Personnel with a Voice in Management:

Hamdi Alp (General Manager)

Hamdi Alp holds a bachelor's degree in Public Administration from Trakya University. Hamdi Alp started his career as Cost Control Chief at Reysas Gıda AŞ between January 2001 and December 2004. From July 2005 to October 2006, he worked at Dünya Göz Hospital as Budget and Cost Control Specialist and from October 2006 to July 2009, he worked at Medical Park Hospital as Assistant Finance Group Manager. Hamdi Alp then served as the Financial Affairs Manager at Akfel Holding from July 2009 to October 2016 and as the Financial Affairs Director at Isystems Endüstri between November 2016 and May 2018. Hamdi Alp, who was appointed as the Financial Affairs Group Manager at Aydem Holding in October 2018, started to work as the Company's Financial Affairs Director in August 2019. In March 2020, he was appointed as CFO of Aydem Renewables Inc. In April 2023, he continues his duty as General Manager of Aydem Group Thermal Power Plants.

Mehmet Özülkü (Financial Affairs Director)*

Mehmet Özülkü graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2005. He started his career as an auditor at KPMG Turkey and then worked as Planning and Reporting Manager at Türk Telekom between 2009-2013. Mehmet Özülkü continued his career as Finance and Controlling Manager at Enerco Energy between 2013-2018. Afterwards, he worked as Finance Manager at Gulf Cryo Turkey and Vorwerk Turkey. Between 2019-2022, he worked as a Financial Planning Manager at Enerjisa Üretim. Mehmet Özülkü started working at Aydem Holding - Thermal Power Plants Group in 2022 and continues to serve as the Director of Financial Affairs.

"Mr. Mehmet Özülkü, who served as the Finance Director of our Company, resigned from his position as of April 1, 2024." At the Board of Directors meeting of our Company dated April 30, 2024 and numbered 2024/9, it was decided to appoint Mr. Ahmet Ersoy Önal as the Chief Financial Officer as of May 1, 2024.

Rıdvan Edip Akdeniz (Power Plant Director)

Rıdvan Edip Akdeniz graduated from Kocaeli University, Faculty of Engineering, Department of Electronics and Communication Engineering in 2005. He started his career at Yatağan Yeniköy Elektrik Üretim AŞ, where he worked as Production Manager, Measurement Control Engineer, FDG Operation Engineer, Chief Engineer. He started to work at Aydem Energy in 2014. At Aydem Energy, Akdeniz first worked as Assistant Plant Manager at Yatağan Termik Enerji Üretim AŞ and then as Senior Manager of Thermal Power Plants Production Planning in 2019.

Rıdvan Edip Akdeniz has been serving as the Director of Çatalağzı Thermal Power Plant since 2021.

Hasan Akpınar (Treasury and Finance Group Director)**

Hasan Akpınar graduated from Uludağ University, Faculty of Economics and Administrative Sciences, Department of Finance in 2003. He started his career as a Finance Specialist at Emre Isı Makineleri Sanayi Ticaret Ltd Şti in 2005 and then worked as a Finance Specialist at Istanbul Pharmacists Pharmaceutical Distribution Company in 2010. Between 2010 and 2019, he worked as a Finance Specialist, Finance Manager and Finance Manager within Kazancı Holding AŞ. Hasan Akpınar started working for Aydem Energy in June 2019. Hasan Akpınar first served as Aydem Energy Finance Group Manager and then as Aydem Energy Treasury and Finance Group Director since January 2022.

"Pursuant to the resolution of the Board of Directors of our Company dated May 7, 2024, the duty of Mr. Hasan Akpınar, who appears as the Personnel Having a Say in Management, has ended.



Hamdi Alp



Mehmet Özülkü



Rıdvan Edip
Akdeniz



Hasan Akpınar

Committees and Policies

Committees

The Committees of the Board of Directors of our Company have not yet been established and the Working Principles of the Committees can be accessed under the Corporate Governance heading on the Investor Relations page of our Company.

Our Policies

Detailed information on the Company's policies and working principles of the committees can be found on the Corporate Governance tab under the Investor Relations menu on the Company's website or on

<https://www.cates.com.tr/en/policies>
you can access it via the link.

Dividend Distribution Policy

Article 1- Scope and Legal Basis

this Dividend Distribution Policy determines the principles regarding the dividend and advance dividend distributions to be made by Çates Elektrik Üretim AŞ ("Company") within the scope of its articles of association ("Articles of Association") and related regulations. This policy has been prepared in accordance with the Articles of Association, Capital Markets Law No. 6362 ("CMB"), Turkish Commercial Code No. 6102 ("TCC"), Dividend Communiqué No. 11-19.1 ("Dividend Communiqué"), Corporate Governance Communiqué No. 11-17.1 and related legislation.

Article 2- Purpose

The purpose of the Company's dividend distribution policy is to ensure that a balanced and consistent policy is followed between the interests of investors and the Company in accordance with the relevant legislation, to inform investors and to maintain a transparent policy towards investors in terms of dividend distribution.

Article 3- Dividend Distribution Principles

The dividend distribution decision, the manner and timing of dividend distribution shall be decided by the General Assembly of the Company upon the proposal of the Board of Directors, as long as the relevant regulations and financial means allow, market expectations,

Taking into account the Company's long-term strategies, capital requirements of subsidiaries and affiliates, investment and financing policies, contractual obligations, profitability and cash position; it is aimed to distribute at least 50% of the distributable net profit for the period calculated in accordance with the Articles of Association, TCC, CMB, Dividend Communiqué and tax regulations to shareholders and other persons participating in the profit. Dividends may be distributed in cash and/or by issuing bonus shares and/or by using these two methods together in certain proportions. Dividends are distributed equally to all existing shares as of the date of distribution, regardless of their issue and acquisition dates. There are no shares among the Company's shares that provide for dividend privileges. Dividend payments may be made in equal or different installments, provided that it is resolved at the general assembly meeting where dividend distribution is decided.

Unless the reserve funds required to be allocated according to the TCC and the Articles of Association and the profit share determined for the shareholders in the Articles of Association or this profit distribution policy are allocated; it cannot be decided to allocate another reserve, to transfer the profit to the following year and to distribute a share from the profit to the usufruct holders, members of the board of directors, Company employees, foundations and persons and institutions other than the shareholder, and no share from the profit can be distributed to these persons unless the profit share determined for the shareholders is paid in cash.

Dividend distribution procedures shall commence on the date specified in the general assembly, provided that they shall commence no later than the end of the accounting period in which the general assembly meeting at which the distribution decision is made is held. Pursuant to the Articles of Association, the dividend distribution decision taken by the General Assembly cannot be revoked unless permitted by law.

In the event that the board of directors proposes to the general assembly not to distribute dividends, the reasons thereof and the manner of utilization of the undistributed profit shall be included in the agenda item on dividend distribution and this matter shall be submitted for the information of the shareholders at the general assembly meeting.

Article 4- Dividend Advance Distribution Principles

The General Assembly of the Company may decide to distribute advance dividends to shareholders in accordance with the provisions of the Capital Markets Law and other relevant legislation. The provisions of the relevant legislation shall be complied with in the calculation and distribution of the advance dividend amount. Advance dividends are distributed in cash from the profits recognized in the interim financial statements of the Company. Advance dividend for a certain interim period cannot be distributed in installments.

Advance dividend is distributed equally to all shares existing as of the date of distribution, regardless of their issue and acquisition dates.

The advance dividend to be distributed may not exceed half of the amount remaining after deducting the reserves required to be set aside in accordance with the TCC and the Articles of Association and accumulated losses from the net profit for the period according to the interim financial statements. Total amount of dividend advances to be given in an accounting period;

- Half of the net profit for the previous year,
- other resources that can be subject to profit distribution, excluding the net profit for the period in the relevant interim financial statements.

If more than one advance dividend payment is made within the same accounting period; while calculating the advance dividend payments to be made in the following interim periods, the advance dividend payments made in the previous interim periods are deducted from the calculated amount. Without offsetting the dividend advances paid in the previous accounting periods, additional dividend advances cannot be given and dividends cannot be distributed in the following accounting periods. Dividend advances cannot be distributed to persons other than shareholders and dividend advances are paid to privileged shares without taking privilege into consideration.

Article 5 - Public Disclosure

The proposal of the board of directors regarding dividend distributions or the decision of the board of directors regarding advance dividend distribution is publicly announced within the scope of the relevant regulations together with the dividend distribution table or advance dividend distribution table with its form and content. In addition, in case of any amendment to this dividend distribution policy, the Board of Directors' resolution on such amendment and the reason for such amendment shall also be disclosed to the public.

this policy is disclosed to the public on the Company's website following the approval of the general assembly.

General Assembly

On June 11, 2024, the Ordinary General Assembly Meeting for the year 2023 was held. You can access the meeting minutes through the Corporate Governance tab in the Investor Relations menu on our Company's website or via the link

<https://www.cates.com.tr/en/general-assembly>

Human Resources

Employee Information

The number of employees of the Company for the period ended 31 March 2024 and 31 March 2023 is shown in the table below -

	31 March 2023			31 March 2024		
GENDER BREAKDOWN	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE
White Collar	47	7	40	48	8	40
Engineer	18	1	17	17	1	16
Administrative Staff	29	6	23	31	7	24
Blue Collar	329	2	327	332	2	330
Operation Technicians	170	2	168	172	2	170
Maintenance Technicians	159	-	159	160	-	160
Total	376	9	367	380	10	370

As of March 31, 2024, 17 of the 380 personnel in the Company are engineers, 31 administrative personnel, 172 operating technicians and 160 maintenance technicians.

AGE BREAKDOWN	As of March 31									
	2023					2024				
	TOTAL	18 - 39	40 - 49	50 - 59	60 and above	TOTAL	18 - 39	40 - 49	50 - 59	60 and above
White Collar	47	34	10	2	1	48	31	12	3	2
Engineer	18	13	4	-	1	17	11	4	1	1
Administrative Staff	29	21	6	2	-	31	20	8	2	1
Blue Collar	329	156	100	67	6	332	165	114	47	6
Operation Technicians	170	70	51	47	2	172	74	67	29	2
Maintenance Technicians	159	86	49	20	4	160	91	47	18	4
Total	376	190	110	69	7	380	196	126	50	8

EDUCATION BREAKDOWN	As of December 31									
	2023					2024				
	TOTAL	Secondary Education	High school	Associate Degree	Undergraduate and above	TOTAL	Secondary Education	High school	Associate Degree	Undergraduate and above
White Collar	47	1	1	-	45	48	1	2	7	38
Engineer	18	-	-	-	18	17	-	-	-	17
Administrative Staff	27	1	1	-	27	31	1	2	7	21
Blue Collar	329	8	274	36	11	332	7	270	41	14
Operation Technicians	170	1	149	13	7	172	2	147	16	7
Maintenance Technicians	159	7	125	23	4	160	6	122	25	7
Total	376	9	275	36	56	380	8	272	48	52

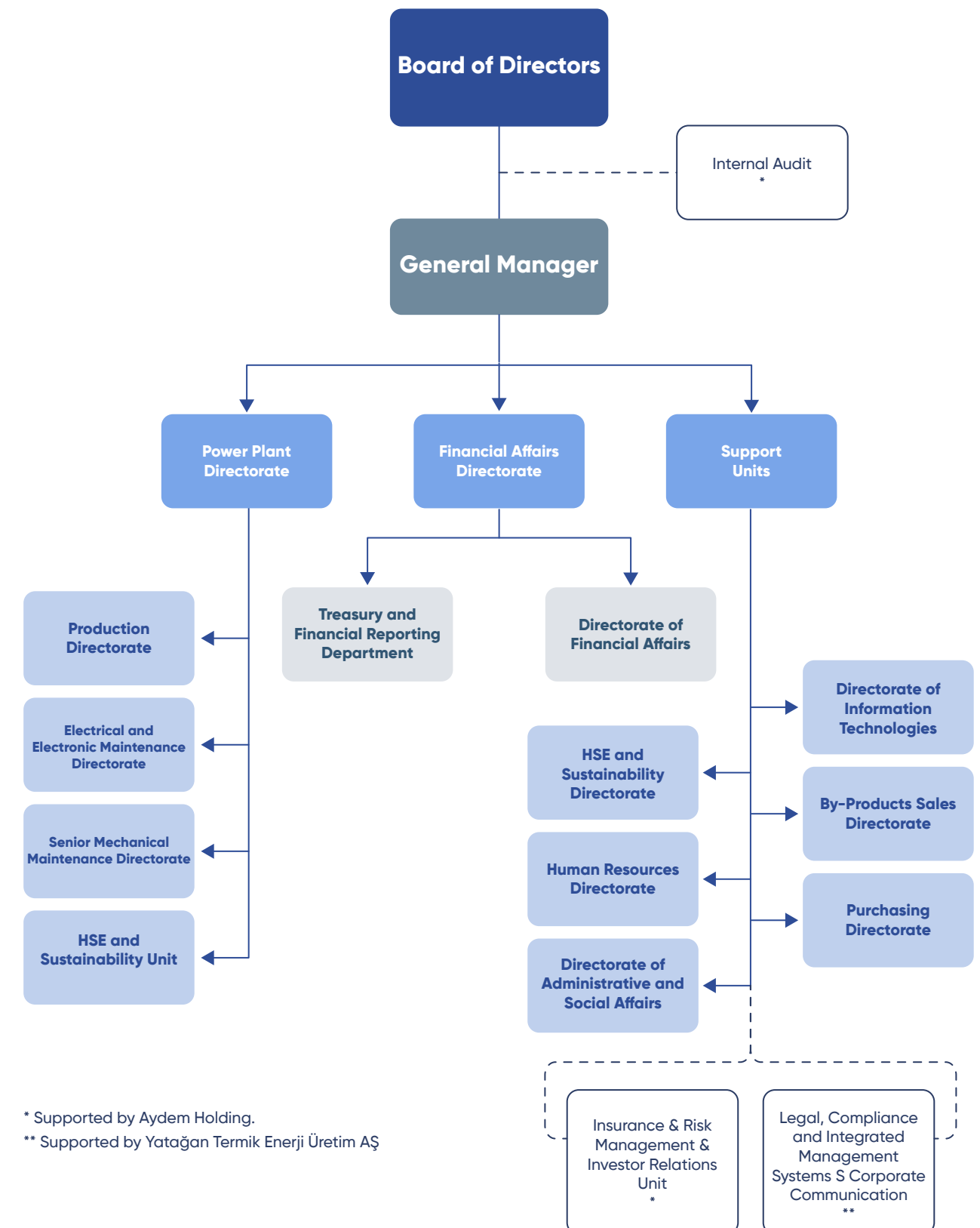
Human Resources

As of March 31, 2024, 330 personnel of the Company are union members.

The Company has not experienced any material disputes or issues relating to the recruitment or retention of its employees. There has been no significant suspension or interruption in the Company's operations due to any labor dispute or personnel dispute. The Company has not faced any strikes since the employees working in electricity generation activities are prohibited from going on strike in accordance with Article 62 of the Law No. 6356 on Trade Unions and Collective Bargaining Agreements. Blue-collar employees who worked in the subcontractor companies of EÜAŞ, which operated the Power Plant before privatization, and who started working for the Company after privatization, have filed lawsuits for differential receivables, claiming that there are court decisions demanding the determination of collusion that they should receive the wages received by EÜAŞ workers within the scope of their pre-privatization work, and that the wages they are entitled to within the scope of these finalized decisions are vested rights, they filed a lawsuit claiming that they should be paid at these wages even after privatization, the court of first instance ruled for the dismissal of the case and the plaintiffs filed an appeal, and the relevant files are under appeal review. In the additional protocols to the collective bargaining agreement signed with the Turkish Energy, Water and Gas Workers Union during the transfer phase, the employees working within the Company were divided into 4 groups, and the wages of the employees transferred from the public sector and the employees who started working within the Company after the transfer were determined differently. There are still workers within the Company who are categorized as pre-turnover and post-turnover, who do the same job, have the same title, but are paid different wages. As long as this distinction exists in collective bargaining agreements, there is a risk that lawsuits for differential wage claims will be filed; however, this risk will be eliminated if these lawsuits, which are in the appellate review and concluded in favor of the Company, are finalized in favor of the Company after passing the review of the higher court.

The Company does not believe that the related lawsuits will have a material adverse effect on its operations.

Organization Chart



Declaration of Compliance with Corporate Governance Principles

Our Company's Declaration of Compliance with Corporate Governance Principles can be accessed via the Corporate Governance Reports menu on our Company's Investor Relations page at <https://www.cates.com.tr/en/corporate-governance-reports>

Corporate Governance Compliance Report

You can reach our company through the Corporate Governance Reports menu on the Investor Relations page and/or via the link <https://www.cates.com.tr/en/corporate-governance-reports>

Sustainability Principles Compliance Report

The Sustainability Principles Compliance Report of our Company can be accessed through the Sustainability Reports menu on the Investor Relations page of our Company at <https://www.cates.com.tr/en/sustainability-report>

Corporate Governance Information Form

You can reach our company through the Corporate Governance Reports menu on the Investor Relations page and/or via the link <https://www.cates.com.tr/en/corporate-governance-reports>

Financial Rights Provided to Board Members and Senior Executives

As of the reporting period, the indexed total amount of financial benefits provided to the members of the Board of Directors and senior executives is TL 11,119,303.

2024 Information on Special Audit and Public Audit Conducted in 2024

None.

Amendments to the Articles of Association

No amendments were made to the Articles of Association during the reporting period.

Legislative Amendments
in 2024

The Company became subject to the CMB legislation upon its public offering.

Information on Lawsuits Filed Against the Company
that May Affect the Financial Position and Activities of
the Company and Their Possible Results

In the last 12 months, the Company has had a significant impact on the financial position or profitability of the Company and may have an impact on the financial position or profitability of the Company in the following periods; There are 2 lawsuits in which the Company is a plaintiff with a total amount of TL 206.712,33 for the time being and 242 lawsuits in which the Company is a defendant with a total amount of TL 13.082.860,61 as of March 31, 2024. There are no files with a claimant or defendant with a case value over TL 1 million.

The Company's request for deferment / postponement of tax debts for the period of June 2023 was accepted on September 18, 2023 and the related debt amount will be paid in 2 equal installments with postponement interest at the end of September and October. The installment for September has been paid and the second installment will be paid on due date. The Company has two lawsuits filed with the tax authorities regarding (i) the cancellation of the transaction to reduce the amount of VAT carried forward to the following period and (ii) the cancellation of the transaction to reduce the amount of tax losses carried forward to the following years. The Company has made the tax payments with a reservation regarding the above-mentioned cases, and if these cases result in a negative outcome, there will be no additional risk to the Company, there is no tax penalty imposed on the Company as of the date of this prospectus, and there are no administrative sanctions that may adversely affect the future of the Company.

There are lawsuits for the cancellation of the transaction to restrict the financing costs/expenses for the year 2022 calculated over the liabilities used by the Company before 2021 and as a result, to reduce the amount of "financial losses that can be offset to subsequent years" from 2022 by TL 35,851,552.38. The Company filed tax lawsuits within the legal periods after registering the tax returns in the relevant periods. Detailed information regarding these tax lawsuits to which the Company is a party has been disclosed above. If these lawsuits are concluded in favor of the Company, the Company will collect the overpaid taxes with deferred interest and this will have a positive impact on the Company's financials. In the other case, that is, if the lawsuits are concluded against the Company, this will not have a negative impact on the Company's financials as the Company will not make additional tax payments, in addition, there are no administrative sanctions that may adversely affect the Company's future.

Explanations on Administrative or Judicial Sanctions Imposed
on the Company and the Members of the Governing Body Due
to Practices Contrary to the Provisions of the Legislation

During the reporting period, there were no administrative or judicial sanctions due to non-compliance with the legislation.

Information on Own Shares Acquired
by the Company

None.

Information on Privileged Shares

Aydem Holding AŞ, the indirect controlling shareholder of the Company, also owns privileged Group A registered shares of the Company and Group A shareholders have the privileges recognized in the Articles of Association, which are explained in detail in section 19.3 of this prospectus, regarding the nomination of candidates for the election of board members and the inability to take certain decisions at the general assembly meetings without the affirmative vote of the shareholders holding the majority of the capital represented by Group A shares.

The Company has accepted the registered capital system in accordance with the provisions of the CML and the Board has approved the Company's application for transition to the registered capital system with its letter dated 09.06.2023 and numbered E-29833736-110.03.03.03-38470.

Following the Board's letter dated 09.06.2023 and numbered E-29833736-110.03.03.03-38470 and the Ministry of Trade's approval letter dated 09.06.2023 and numbered E-50035491-431.02-00086814005, the relevant amendment to the Articles of Association was registered on 12.07.2023.

The Company's authorized capital ceiling is TL 300,000,000 and its issued capital is TL 165,200,000. The current shareholding structure of the Company is as follows-

Group	Registered / Bearer	Type of concessions	Nominal Value (TL)	Total (TL)	Ratio to Capital (%)
A	Registered	Privilege to nominate candidates for election of board members Veto Right in Matters Requiring Aggravated General Assembly Resolution Quorum	1.00	84,243.000	50,99
B		It has no privileges.	1.00	80,957.000	49,01
Total				165,200.000	100,00

Class A shares have two types of privileges, including the right to nominate candidates for the election of board members and the inability to adopt certain resolutions at general assembly meetings (Matters Requiring Aggravated General Assembly Quorum) without the affirmative vote of shareholders holding the majority of the capital represented by Class A shares. The explanation regarding these privileges is provided in section 21.15 of the prospectus.

Rating Notes

Credit Ratings

The most recent credit ratings of our Company are given below-

JCR EURASIA RATING (30.05.2022)
Long Term International Foreign Currency Rating BB- / (Stable Outlook)
Long Term International Local Currency Rating BB- / (Stable Outlook)
Long Term National Rating BBB- (tr) / (Stable Outlook)
Short Term National Rating J2 (tr) / (Stable Outlook)

Donations and Aids

As of the reporting period (January 1, 2024 – March 31, 2024),
a total of TL 350,000 was donated to various institutions and organizations within the framework of donations
and aids and social responsibility projects.

Research and Development Activities

None.

Other Considerations

If an Extraordinary General Assembly Meeting was held during the year, Information Regarding the Extraordi-
nary General Assembly, Including the Date of the Meeting, the Decisions Taken at the Meeting and the Actions
Taken Regarding the Meeting-

None.

Information on Conflicts of Interest between the
Company and Institutions Providing Services Such as
Investment Advisory and Rating Services and
Measures Taken to Prevent These:
None.

Information on the Transactions of the Members of the
Governing Body with the Company on Their Own
Behalf or on Behalf of Others within the Framework of
the Permission Granted by the General Assembly of the
Company and Their Activities within the Scope of
Prohibition of Competition:
Permission is obtained from the General Assembly for
the members of the Board of Directors to perform the
transactions stipulated in Articles 395 and 396 of the
TCC, except for the matters prohibited by the TCC.
According to the information provided by Çates Elektrik
Üretim AŞ, the members of the Board of Directors did
not engage in any commercial activities on their own
behalf or on behalf of others in the reporting period in
areas that fall within the scope of the Company's field
of activity.

Insolvency:
The financial statements of the Company have been
prepared on a going concern basis.
There are no developments related to insolvency after
the reporting date, indicating that there is no
uncertainty that may cast doubt on the entity's ability
to continue as a going concern.
The average collection period of the Company's trade
receivables from electricity sales is 45 days and the
Company's high collection ability creates an
advantage in terms of timely payment of short-term
liabilities. Therefore, the Company does not have any
financing requirement to fund its working capital.
The Company has made an assessment of the
sustainability of its operations and has concluded that
the Company has sufficient resources to continue its
operations for the foreseeable future, taking into
account its capacity to generate revenue, profit and
liquidity. The Company management believes that
there are no uncertainties that cast doubt on the
sustainability of the Company's operations and has
prepared its standalone financial statements on the
assumption that the Company will continue in
operation for the foreseeable future.

Analysis:
The Board of Directors evaluated the results and plans
for the reporting period and determined that the
targets were largely realized. The Company completed
the reporting period dated March 31, 2024 with a net
profit of TL 92.349060. As of the reporting period, there
is accumulated retained earnings amounting to TL
5.873.704.307. On the other hand, the Company incurred
operating loss amounting to TL 31.231.199 and net cash
outflow from operating activities amounting to TL
575.036.666.

The Company generated earnings before interest, tax,
depreciation and amortization ("EBITDA") amounting to
TL 152,682,892.
The Company generates electricity sales revenues and
collects them in 45 days on average. On the other hand,
all payables payable within one year are included in
current liabilities. The high turnover rate of the
Company's receivables provides an advantage in terms
of timely payment of short-term liabilities.

Explanations on the Group's Internal Audit and Risk
Management Systems Regarding the Preparation of
Solo Financial Statements:
The stand-alone financial statements are prepared in
accordance with the Capital Markets Board ("CMB")
Communiqué No. 11-14.1 numbered "Communiqué on
the Principles of Financial Reporting in Capital Markets"
of the Capital Markets Board ("CMB") and in accordance
with the Turkish Financial Reporting Standards ("TFRS")
published by the Public Oversight, Accounting and
Auditing Standards Authority ("POA") and in accordance
with the 2022 TFRS Taxonomy, the presentation
principles of which were developed by POA based on
paragraph (b) of Article 9 of the Decree Law No. 660 and
determined and announced to the public with the
decision of POA dated October 4, 2022.

Information and Evaluations on Whether the Targets
Set in the Previous Periods were Achieved, Whether the
Resolutions of the General Assembly were Fulfilled, and
the Reasons for Failure to Achieve or Failure to Fulfill
the Resolutions:
In accordance with the agenda items within the scope
of the ordinary general assembly meeting, there were
no agenda items that were not fulfilled during the
reporting period.

Information on Mutual Subsidiaries with Direct Partici-
pation in Capital Exceeding 5%:
None.

In the event that the Capital of a Capital Company in
which we hold, directly or indirectly, five, ten, twenty,
twenty-five, thirty-three, fifty, sixty-seven or one
hundred percent of the shares, the ratio of the shares
we hold falls below or rises above these ratios, this
situation and its justification:
None.

Information on the Shares of the Entities Included in the
Company in the Capital of the Parent Company:
The entities included in the Company do not have a
share in the capital of the parent company.

Other Rights: Additional Information:
None. None.

INFORMATION ON RISK MANAGEMENT AND INTERNAL AUDIT



Information on Risk Management Practices

Risk Management

The Company may be exposed to the following risks depending on the use of financial instruments.

Credit risk is the risk that a customer or counterparty will not fulfill its contractual obligations and arises primarily from customer receivables.

Liquidity risk is the risk that the Company will be unable to meet its future financial liabilities. The Company's liquidity risk is managed by obtaining adequate financing facilities from various financial institutions in order to fund its current and prospective debt requirements under normal conditions or in times of crisis, in a manner that will not expose the Company to loss or damage its reputation.

Market risk is the risk that changes in the money market, such as foreign exchange rates, interest rates or the prices of instruments traded on securities markets will affect the Company's income or the value of its financial assets. Market risk management aims to optimize returns while controlling market risk exposure within acceptable limits.

Operational Risk refers to risks arising from the structure of the business such as Personnel Risk, Legal Risks, Technological Risks, Organization Risk and Production Risk.

Early Detection and Management of

Early Detection and Management of Risk Activities

Our Company has analyzed and evaluated all possible risks and has taken all necessary measures to avoid any negative consequences or to eliminate them with minimal damage.

Risks that the Company may face

A) Risks related to the Company and its activities-

Activities carried out during the operation of the Company's existing power plant, disruptions or negativities that may occur during the fulfillment of responsibilities related to the health and safety of the public and employees and the environment may adversely affect the Company's operations.

The operation, maintenance and refurbishment of the Power Plant carries significant risks that can lead to unexpected power outages, reduced efficiency and unexpected capital expenditures.

The Company's operations are dependent on the relationship it maintains with its suppliers and non-renewal of the contracts concluded for the supply of coal to the Power Plant may adversely affect the Company's operations.

factors outside the Company's control, such as climatic conditions, may adversely affect the Company's activities, albeit to a limited extent.

The Company may be adversely affected by changes in tax legislation or practices, increases in tax rates or tax audits.

Movements in foreign exchange rates may have an impact on the Company's income and financial position.

The Company's existing insurance policies may not be sufficient to cover all potential losses. It is not possible to take out insurance to cover all risks that may occur in the event of an accident or damage or in any other way.

Any damage to the natural environment alleged to be caused by the Company's operation of the power plant may result in legal action, compliance studies and/or cessation of production activities at the power plant or increased costs.

Operations carried out during electricity generation activities can be hazardous and lead to accidents. In certain circumstances, it can cause injury to people or damage to property. This may lead to significant interruptions in the Company's operations and/or expose the Company to judicial and administrative sanctions.

Intensifying competition in the market, increasing demand for alternative energy sources and fluctuations in commodity prices may adversely affect the Company's ability to achieve its financial targets.

The Company may be exposed to risks due to possible unethical behavior and/or unlawful conduct of its employees, suppliers, contractors, agents or other third parties. The Company has entered into and will continue to enter into related party transactions with its related parties.

The negativities in the energy market and economy that emerged globally as a result of the war between Russia and Ukraine, which started in 2022, may cause a decrease in electricity demand of consumers and adversely affect the Company's ability to sell electricity.

The loss of key personnel or the inability to recruit key personnel and qualified employees may limit the Company's growth and adversely affect its operations.

The Company's indebtedness and financial liabilities may adversely affect the Company's operations, financial position and results of operations. The Company is required to comply with certain covenants under the loan agreements.

There may be risks related to litigation and disputes. Within the scope of the Company's ordinary activities, legal proceedings may be initiated and lawsuits may be filed against the Company, and the Company may also be subject to administrative proceedings. As a result of the aforementioned claims and legal proceedings being finalized against the Company, the Company and its executives may be subject to judicial and criminal liabilities, the Company may be fined and may have to pay compensation. The inability to obtain credit or capital due to volatility in the credit and capital markets or other factors could make it more difficult for the Company to develop its projects or finance acquisitions.

Aydem Holding, the indirect owner of the Company shares, has guarantees in favor of its subsidiaries. In addition, a share pledge has been established in favor of Parla Enerji's creditors on the shares of Parla Enerji representing approximately the majority of the Company's capital, and the occurrence of an event of default under the relevant loan agreements may lead to a change of control.

The Company may not be able to maintain its profitability level and the expected improvements in profitability may not materialize.

Risks related to war, terrorist incidents, terrorism and threats of war may adversely affect the Company's operations, results of operations, future expectations or financial position.

Disruptions caused by widespread public health concerns, including the Covid-19 pandemic, could adversely affect the Company's operations, results of operations, prospects or financial condition.

Natural disasters such as floods, storms, landslides and earthquakes may adversely affect the Company's operations, results of operations, future prospects or financial position.

B) Risks related to the sector in which the Company operates-

Demand for electricity may decline and uncontrolled price fluctuations may occur.

The licenses, permits and regulations required for the operation of the power plants owned by the companies operating in the sector depend on the signing of mandatory agreements with public institutions and maintaining their validity.

Changes in tariff regulations may adversely affect the revenues and operating results of companies operating in the sector.

Energy sector activities are subject to regulations and changes in these regulations may adversely affect the operations of the companies.

operational difficulties in connecting to the transmission and distribution grid may adversely affect the Company's ability to sell the electricity it generates.

The Company is subject to collection risk arising from electricity sales. The Company's activities are inherently risky and exposed to hazards that may lead to accidents or disruptions.

The Company's operations may be affected by environmental legislation and related lawsuits that may arise in the future and/or the Company may face significant costs.

Internal Audit and Control Activities

The main objective of the internal audit function is to provide reasonable assurance that risks are appropriately identified and managed in the risk management, control and governance processes designed and implemented by the Çates Elektrik Üretim management; that business processes and transactions are in compliance with policies, procedures and relevant legislation; that resources are used economically and efficiently and effectively protected within the Company's sustainability objectives; and that financial, managerial and operational information is accurate, reliable and timely. In addition, the Internal Audit function oversees the proper definition, adequate and effective realization of the objectives related to compliance with the code of ethics and business principles defined within the company.

the Internal Audit function is an independent assurance function that reports its work to the Board of Directors and receives its authorization from the Company's Board of Directors. The Audit Plan, which is approved and implemented annually by the Board of Directors, is formed by risk-based categorization of the processes involving business activities that support the achievement of the Company's strategic goals. The results of the audit work carried out in accordance with the Audit Plan are periodically presented to the Board of Directors and relevant Management elements.

the Internal Audit Unit bases its work on International Standards on Internal Auditing and Internal Control Governance Frameworks and applies a risk-based audit methodology. In addition, it coordinates with the activities carried out by the independent audit. The audit process includes planning and preparation, fieldwork and reporting of audit results, as well as formal audit action follow-up procedures to verify the implementation of risk mitigating actions recommended by Internal Audit and agreed by Management.

No internal audit activities were conducted during the reporting period.

SUBSEQUENT EVENTS FOLLOWING THE END OF REPORTING PERIOD



Subsequent Events Following the End of Reporting Period

- ✓ Our Company's 2023 Financial Report, Statement of Responsibility, Annual Report, Corporate Governance Information Form, Corporate Governance Compliance Report, Sustainability Compliance Report, Participation Finance Principles Information Form, Reserve Valuation Report were submitted for public information on May 7, 2024 on our Company's Public Disclosure Platform (KAP) page and on our Company's Investor Relations page.
- ✓ The conclusion section of the Board of Directors Report on our Company's related party transactions for 2023 and 2024 was disclosed to the public on May 16, 2024 on our Company's Public Disclosure Platform (KAP) page and on our Company's Investor Relations page.
- ✓ The Board of Directors' report on the Uses of the Funds Obtained from the Public Offering and the Realization and Evaluation Report Prepared by the Board of Directors on the Assumptions Based on the Determination of the Public Offering Price were disclosed to the public on the Public Disclosure Platform (KAP) page of our Company and on the Investor Relations page of our Company on May 20, 2024.
- ✓ Our Company's 2023 Ordinary General Assembly Meeting Call, the proposal of the Independent Audit Firm for the 2024 Activity Period to the General Assembly and the notification on the 2023 Period Profit/Loss were submitted for public information on May 20, 2024 on our Company's Public Disclosure Platform (KAP) page and on our Company's Investor Relations page.
- ✓ The income statement of our Company for the period 01.01.2024 – 31.03.2024 (first quarter of 2024), which was submitted to the tax office as an attachment to the Provisional Tax Declaration for the period 01.01.2024 – 31.03.2024 (first quarter of 2024) and which was not prepared in accordance with the Capital Markets Legislation, was submitted for public information on the Public Disclosure Platform (KAP) page of our Company and on the Investor Relations page of our Company on May 23, 2024.

For more detailed information, please visit our Company's Investor Relations – Material Event Disclosures page or our Company's Public Disclosure Platform (KAP) page.



CONTACT US





Contact

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<https://www.cates.com.tr/en>

All contact information of our company can be found on the
General Information-contact tab

<https://www.kap.org.tr/en/sirket-bilgileri/genel/5905-cates-elektrik-uretim-a-s>
on our Public Disclosure Platform (KAP) page.

Power Plant Branch Information:

Çatalağzı Thermal Power Plant

Çatalağzı Beldesi Santraller Mevkii Necati

Yirmibeşoğlu Caddesi Çatalağzı/Kilimli/Zonguldak

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